

Office of Statewide Health Planning and Development

Healthcare Information Division

Accounting and Reporting Systems Section

818 K Street, Room 400

Sacramento, California 95814

(916) 323-7685 Fax (916) 322-1442

www.oshpd.ca.gov/hid**TITLE 22. OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT****ACTION:** Notice of Proposed Rulemaking**SUBJECT: Increase in the Special Fees Charged to Hospitals and Long-term Care Facilities****PUBLIC PROCEEDINGS:**

NOTICE IS HEREBY GIVEN that the Office of Statewide Health Planning and Development (hereafter the "Office") proposes an amendment of Section 90417 of Title 22 of the California Code of Regulations (CCR) to increase the special fee assessment rate for hospitals and long-term care facilities from 0.027% of gross operating costs to 0.034% of gross operating costs. Interested parties may submit written comments presenting statements, arguments, or contentions relating to the regulation. All such comments must be received by the Office at 818 K Street, Room 400, Sacramento, CA 95814 by 5:00 p.m. on June 20, 2005, which is designated as the close of the written comment period. NOTICE IS ALSO GIVEN that no public hearings will be held. However, a public hearing will be held if, no later than 15 days prior to the close of the written comment period, an interested person, or his or her duly authorized representative, submits a written request to hold a public hearing to the Contact Person (see Contact Person below).

CONTACT PERSON:

General and substantive inquiries and comments concerning the proposed regulation changes may be addressed to Kenrick J. Kwong, Manager, Accounting and Reporting Systems Section, Office of Statewide Health Planning and Development, 818 K Street, Room 400, Sacramento, California 95814 (telephone: 916-323-7681; fax: 916-327-0377; e-mail: kkwong@oshpd.ca.gov). The Office's backup contact person is Tim Pasco, Systems Analyst, Hospital Financial Data Unit, Office of Statewide Health Planning and Development, 818 K Street, Room 400, Sacramento, California 95814 (telephone: 916-323-1955; fax: 916-327-0377; e-mail: tpasco@oshpd.ca.gov).



PLAIN ENGLISH OVERVIEW:

The purpose of the proposed regulation change is to increase the special fee charged hospitals and long-term care facilities annually from 0.027% to 0.034% of the hospital's and long term care facility's gross operating costs effective July 1, 2005.

POLICY STATEMENT OVERVIEW / INFORMATIVE DIGEST:

OSHPD proposes to amend Section 90417 of Title 22 of the California Code of Regulations (CCR). Section 90417 establishes the special fee rates annually assessed health facilities licensed pursuant to Chapter 2 (commencing with Section 1250) of Division 2 of the Health and Safety Code. Each year OSHPD establishes the fee sufficient to produce revenues equal to the appropriation to pay for the required collection, processing, and dissemination of health facility financial and utilization data, and hospital patient-level data.

Section 127280 of the Health & Safety Code sets the special fee rate not to exceed 0.035% of the annual gross operating costs of health facilities. Section 90417 of Title 22 of the CCR currently establishes the rate for hospitals and long-term care facilities at 0.027%. OSHPD proposes to amend CCR Section 90417 increasing the rate for hospitals and long-term care facilities to 0.034%.

AUTHORITY AND REFERENCE:

Section 127280 of the Health and Safety Code authorizes OSHPD to establish each year the fee to produce revenues equal to the appropriation to pay for the functions required to be performed pursuant to Division 107 - Statewide Health Planning and Development, Part 2 - Health Policy and Planning, Chapter 1 - Health Planning, commencing with Section 127125 of the Health and Safety Code, and Part 5 - Health Data, Chapter 1 - Health Facility Data, commencing with Section 128675 of the Health and Safety Code.

Section 127150 of the Health & Safety Code authorizes the OSHPD director to implement, interpret, or make specific regulations for the implementation of Chapter 1 - Health Planning, commencing with Section 127125 of the Health and Safety Code.

Section 128810 of the Health & Safety Code authorizes OSHPD to administer Chapter 1 - Health Facility Data, commencing with Section 128675 of the Health & Safety Code, and make all regulations necessary to implement the provisions and achieve its purposes.

FISCAL IMPACT ESTIMATES:

- A. Estimate of Cost or Savings to Any State Agency (Cal. Gov't Code §11346.5(a)(6):
None.
- B. Cost to Any Local Agency or School District That is Required to be Reimbursed by
the State (Cal. Gov't §11346.5(a)(6): None.
- C. Non-Discretionary Cost or Savings Imposed on Local Agencies (Cal. Gov't Code
§11346.5(a)(6)): Insignificant.
- D. Cost or Savings in Federal Funding to the State (Cal. Gov't Code §11346.5(a)(6)):
None.
- E. Impact on Housing Costs (Cal. Gov't Code §11346.5(a)(12)): None.
- F. Potential Cost Impact on Private Persons or Affected Businesses, Other Than
Small Businesses (Cal. Gov't Code §11346.5(a)(9)): Insignificant.

DETERMINATIONS:

As required by Government Code Section 11346.5(a)(5), the Office has determined that the proposed regulation would not impose a reimbursable mandate on local agencies or school districts, nor are there any costs for which reimbursement is required by Part 7 (commencing with Section 17500) of Division 4 of the Government Code.

As required by Government Code Section 11346.5(a)(8), the Office has determined that the proposed regulation would not have a significant statewide adverse economic impact on businesses, including the ability of California businesses to compete with businesses in other states.

As required by Government Code Section 11346.3(b)(1), the Office has determined that the proposed regulation would not significantly affect the following:

- 1) The creation or elimination of jobs within the State of California.
- 2) The creation of new businesses or the elimination of existing businesses within the State of California.
- 3) The expansion of businesses currently doing business within the State of California.

As required by Section 4 of Title 1 of the California Code of Regulations, the Office has determined that the proposed regulation will not significantly affect small businesses as defined in Government Code Section 11342.610. No hospitals meet the definition of a small business, and the long-term care facilities that meet the definition of a small business will be charged the same rate as all long-term care facilities. The proposed

fee results in an increase of the special fee for hospitals and long-term care facilities of 70 cents more per \$10,000 of gross operating costs, and is not significant.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED AMENDMENT, AND RULEMAKING FILE:

The Office prepared an Initial Statement of Reasons for the proposed regulations. This statement and the text of the proposed regulations (in italics and strikeout format) are available from the Office at the address indicated above (see Contact Person). In addition, the Initial Statement of Reasons and text of the proposed changes will be sent to all California-licensed hospitals and long-term care facilities. This notice, the Initial Statement of Reasons, and the text of the proposed changes will also be available on the Office's web site at: <http://www.oshpd.ca.gov/HID/AboutHID/laws.htm>.

Any person submitting a comment on the proposed regulations has the right to request a copy of the Final Statement of Reasons once it has been prepared. Additionally, any person may view the Rulemaking File, which is a complete record of the rulemaking process (see Contact Person).

AVAILABILITY OF CHANGED OR MODIFIED TEXT:

After the close of the public comment period or at the end of the public hearing, if one is requested and held, the Office may, without further notice, adopt the proposed regulatory changes as filed or adopt them with non-substantial or grammatical changes as it deems appropriate. If the Office changes or modifies the express terms of the proposed regulatory action, other than non-substantial or grammatical changes, the full text of the modified regulations will be made available to the public at least 15 days before they are adopted. A request for copies of modified regulations should be submitted to the Contact Person at the address noted above.

ALTERNATIVES:

According to Government Code Section 11346.5(a)(13), the Office must determine that no reasonable alternative it considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

Office of Statewide Health Planning and Development

Dated:

Kenrick J. Kwong, Manager
Accounting and Reporting Systems Section